



BILLINGS GAZETTE

A closer look at what's revealed by Obamacare rates on Montana's health insurance `marketplace'

20 MINUTES AGO • GAZETTE STATE BUREAU

HELENA — State Auditor Monica Lindeen on Monday released the prices that Montanans will pay for health-insurance policies offered this year on the federal Internet "marketplace," which is a key component of the Affordable Care Act, known as Obamacare.

Here's a look at key elements of the prices, which are for policies sold by Blue Cross and Blue Shield of Montana, PacificSource and the new Montana Health Co-op:

— Prices are cheaper for younger people, of course, and higher the older you get. But they also differ according to where you live. Montana has four regions, each of which may have a different premium, as listed on the tables. The law also allows companies to charge a higher rate for smokers.

— Policies for those 55 and older are sometimes less expensive than current policies in the market, because Obamacare limits how much insurers can charge older customers. It also doesn't allow insurers to charge people more if they've had serious health problems.

For example, a policy sold by PacificSource on the marketplace for 55- and 60-year-olds, in most cases, is lower-priced than the same policy for those age groups now.

— However, when you compare the prices for that same PacificSource policy for 25- and 40-year-olds, the marketplace price for next year is 18 percent to 30 percent higher than current rates listed on the company website.

Todd Lovshin, vice president and Montana regional director for PacificSource, says the current low rate is for people in the best of health. Under Obamacare, "rating" people based on their health is no longer allowed, so the new rates are the same for everyone — and, in this case, more expensive for some.

— The policies' deductibles — the amount of costs you'll have to pay out of your own pocket before insurance covers the cost — can be quite high, as much as \$6,250. The lowest deductible is \$500. You decide how much you want to pay for.

— The price tables don't show which services may be covered 100 percent by the policy and not subject to the deductible, such as immunizations, annual physicals or other preventive services.

— The tables don't list two types of policies that also will be available on the Internet marketplace: The "young invincible" policies, which are low-cost policies for those under 30, covering catastrophic medical costs, and the "Platinum" policies, which have the best benefits and are the most expensive.

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Exhibit No. 22



BILLINGS GAZETTE

Consumers get first look at 'Obamacare' premiums in Montana – are they higher or lower?

21 MINUTES AGO • BY MIKE DENNISON GAZETTE STATE BUREAU

HELENA – The state's top insurance official on Monday released the premiums Montanans will pay for health insurance policies they buy on the new "Obamacare" marketplace in 2014 – and said she is "pleasantly surprised" by the prices.

Whether the premiums are higher or lower than current prices isn't immediately clear, because most policies on the Internet marketplace as of Oct. 1 have different terms from policies on the market now.

However, the policy premiums don't appear wildly different from rates for current individual policies in Montana – and next year's prices also could be offset by generous federal subsidies for individuals, depending on one's income.

State Auditor Monica Lindeen said the comparable prices reflect Montana's relatively strict insurance laws, which already mandate many basic coverages required by the 2010 Affordable Care Act, known as Obamacare.

Lindeen, a Democrat, also noted that under Obamacare, insurers no longer can deny coverage or charge higher prices for people with serious illnesses or health conditions.

"I'm pleasantly surprised by these prices and pleased that Montanans who have survived cancer and other serious illnesses will no longer be denied health insurance or priced out of the market," she said. "Not everything about Obamacare is perfect, but these market reforms were a long time coming."

Still, the prices released Monday show that health insurance remains far from cheap.

For a 25-year-old, the least-expensive policy of those revealed Monday is about \$155 a month – and that policy has a nearly \$4,000 deductible, meaning you'd pay for most medical costs out of your own pocket up to \$4,000, before insurance covers much of anything.

Also, that policy has a 50 percent co-insurance rate, which means you'd still pay half the amount of medical costs covered by insurance.

A 25-year-old who wants a policy with a \$500 deductible would pay about \$265 a month – although subsidies would offset whatever you pay if your annual income is under \$46,000.

For a 55-year-old, the price of a policy ranges from \$360 a month to \$660 a month, depending on how much coverage you want to buy.

The prices released by Lindeen are for policies being sold on the federal Internet marketplace for Montana, a key component of Obamacare. The policies go on sale Oct. 1 and take effect Jan. 1.

Three companies are offering policies on the marketplace: Blue Cross and Blue Shield of Montana, PacificSource and the Montana Health Co-op, a new nonprofit insurer.

Lindeen released prices for small-group and individual policies, in categories called Bronze, Silver and Gold. Bronze is the least expensive policy and has the least generous coverage; Gold policies are the most expensive and have the best coverage.

As of next year, federal law requires all citizens to carry health insurance or face a tax penalty.

Anyone can shop for health insurance on the Internet exchange, but it's targeted at individuals and small businesses that currently have no insurance and don't have access to large group policies. As many as 200,000 Montanans are currently without health insurance.

Under Obamacare, those earning up to 400 percent of the federal poverty level – about \$46,000 for a single person – are eligible for federal subsidies to offset the cost of health insurance they buy.

However, to get the subsidy, you must buy a policy on the Internet marketplace, from one of the three companies offering policies on that marketplace.

Todd Lovshin, vice president and Montana regional director for Oregon-based PacificSource, said when people look at the prices, they also should consider the subsidy they can get to offset the price of the premium.

"None of these rates include any subsidies that are available to a vast majority of Montanans," he said.

He also noted that PacificSource has the lower-cost policies in some areas, but is higher in others – and that the same is true for the other companies.

"In the end, the pricing (for health insurance) is finally transparent," Lovshin said. "Now we can start talking about the services, and the value add-ons that we have as a company."

Frank Cote, director of sales for Blue Cross, said the company has been competing in small-group and individual markets in Montana for years, and will offer an array of "competitively priced products" both on and off the Internet marketplace.

When looking at the rates, it's also important to keep in mind that the ACA has protections that require insurers to rebate premiums if the prices are above a certain percentage of costs, he added.

Jerry Dworak, CEO for the Montana Health Co-op, said the prices show that the new insurer is competitive with the more-established firms of Blue Cross and PacificSource.

"We're excited and we're looking forward to Oct. 1," he said.